



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill #	HB0362	Title:	Authorize cancellation of certain delinquent real property taxes
Primary Sponsor:	Olson, Alan	Status:	As Amended

- | | | |
|-----------------------------------------------------------|--------------------------------------------------------|----------------------------------------------------------|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$	-	-	-
Net Impact-General Fund Balance	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact:

This bill allows county commissioners to cancel real property taxes that are ten years or more delinquent if the tax lien on such properties has been previously sold at a tax lien sale at least three years prior to cancellation. If delinquent property taxes are cancelled rather than collected, there will be a negative impact on state general fund property tax revenue, as well as local government and school property tax revenues. The state does not, however, have an estimate of properties statewide that are ten years or more delinquent with tax liens that have been sold. MACo reports that the number of such properties is negligible.

FISCAL ANALYSIS

Assumptions:

1. Section one of this bill would amend 15-16-701, MCA, to allow the county treasurer to prepare and transmit to the board of county commissioners a list of all real property taxes that are ten years or more delinquent on or before the first day of June in each year, if the tax lien on such properties has previously been sold at a tax lien sale at least 3 years before preparation of the list.

2. Section two of this bill would amend 15-16-702, MCA, to give the board of county commissioners the authority to cancel real property taxes that are listed by the county treasurer pursuant to section one of the bill.
3. The state does not have an estimate of properties statewide that are ten year or more delinquent with tax liens that have been sold at a tax lien sale. MACo reports that such properties are negligible.

	<u>FY 2008</u> <u>Difference</u>	<u>FY 2009</u> <u>Difference</u>	<u>FY 2010</u> <u>Difference</u>	<u>FY 2011</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)		\$0	\$0	\$0
TOTAL Revenues	\$0	\$0	\$0	\$0

Net Impact to Fund Balance (Revenue minus Funding of Expenditures):

General Fund (01)	\$0	\$0	\$0	\$0
-------------------	-----	-----	-----	-----

Effect on County or Other Local Revenue or Expenditures:

1. Local government and school property tax revenues will be negatively impacted by this bill. MACo reports that the impact would not be significant.

Long Range Impacts:

1. Long range impacts are not significant.

Technical Concerns:

1. Current law gives the board of county commissioners the authority to cancel class 8 taxes that are five years delinquent. The bill would give them the authority to cancel real property taxes that are ten years delinquent if the tax liens on such properties have been sold at a tax lien sale at least three years prior to cancellation. It is not clear how delinquent taxes on class 8 property attached to real property are to be treated.

*Sponsor's Initials*_____
*Date*_____
*Budget Director's Initials*_____
Date